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WEEKLY VIETNAM INDICATORS

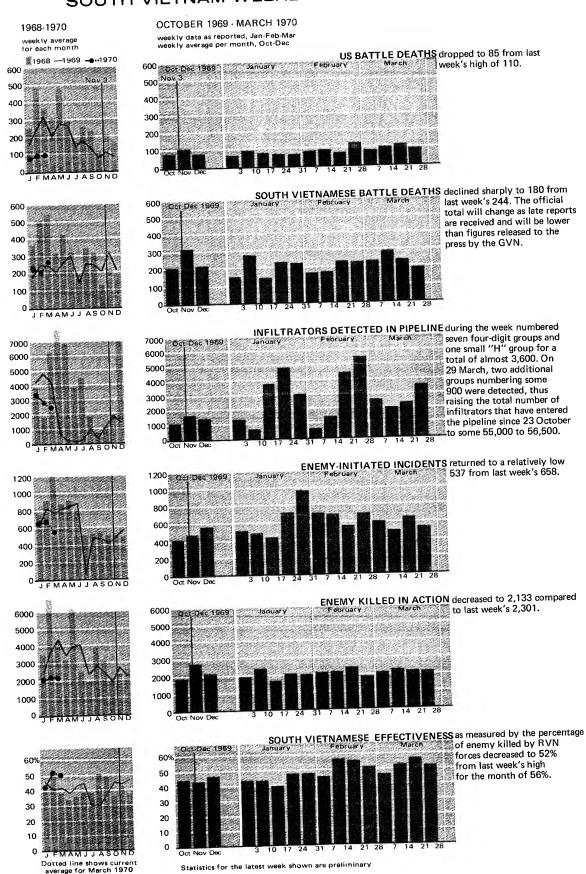
Week Ending 28 March 1970

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For the President Only

Top Survet

SOUTH VIETNAM WEEKLY INDICATORS



FOR THE PRESIDENT ONLY

Enemy Activity

During the week here covered, every activity index except infiltration declined. Though there was a moderately high level of terrorist attacks in the Saigon area, elsewhere such action as occurred was mainly Allied-initiated.

Intelligence on a planned "high point" to begin the night of 31 March suggests that enemy tactical activity will increase somewhat in I, II, and III Corps during the next week. Enemy activity is expected to stress terrorism and Special Police units throughout Vietnam have been placed on alert. The Saigon authorities are braced for a rise in attempted terrorist actions.

Cambodian developments and Communist concern over their Cambodian sanctuaries will probably prompt continued Communist pressure on GVN positions in western IV Corps and Allied positions in western III Corps in an attempt to preclude or pre-empt Allied harassment of Communist forces in Cambodia.

Enemy Infiltration

During the past week, seven four-digit groups and one small "H" group totaling 3,557 personnel were detected. Additionally, two four-digit groups with 937 personnel were detected on 29 March to raise the estimate of infiltrators in the pipeline for March to some 11,500. Thus, as previously forecast, the flow for March is approaching that noted in January and February when departures averaged about 13,000. The estimate of infiltrators entering the pipeline since 23 October now stands at some 55,000 to 56,500 personnel. Overall, 76 four-digit groups have been detected in North Vietnam, 29 detected in Laos, and nine are "gap-fills."

In the logistics field, truck traffic via the Mu Gia Pass appears to have decreased significantly in recent weeks, although the southern entry points into Laos from North Vietnam remain in moderate use. None-theless, a continued high level of activity and a major southward redeployment of antiaircraft and transportation elements have been observed in the Panhandle. One important logistic unit in the central Panhandle received materiel between 1 and 20 March at a rate two thirds greater than that of March 1969. Moreover, high priority was being given to the movement of stockpiled supplies into South Vietnam prior to the advent of the rainy season.

South Vietnam Developments

President Thieu apparently plans to announce a far-reaching economic program at the opening session of the National Assembly on 6 April, and will request special powers from the assembly to implement it. The program will address itself to the gross distortion in the trade balance, the budgetary deficit, the interest rate, and the present unrealistic exchange rate. He will emphasize the need for greater self-reliance and less dependence on foreign assistance in the coming years. Like the land reform program, Thieu may hope this move will improve his image in the U.S., while avoiding the executive-legislative tensions and domestic repercussions which accompanied his earlier taxation measures. Judged on past performance, however, there is considerable doubt that the Vietnamese have the technical competence to plan and execute such a sweeping economic plan without advice from international specialists.

Inept government handling of the arrest of some 40 students suspected of pro-VC activity has given Thieu's opponents an issue to play with like the Chau case. Although the police have documentary proof and/or confessions of VC activity against several of the students, the government has failed to present a convincing case to the public, and a student strike has now spread to all faculties of Saigon University. The government does not intend to press its case against the majority of the arrested students, however, and once the hard evidence against the principal leaders becomes known, student dissent may dissipate. Thieu's opponents, nevertheless, can be counted on to keep the pot bubbling and will probably play to the foreign press and TV gallery.

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Communist Developments

It is still not clear how far Hanoi plans to go in support of Sihanouk's call for "national liberation" of Cambodia. Its strong rhetoric in support of Sihanouk, withdrawal of its diplomatic personnel from Phnom Penh, its probable role in the pro-Sihanouk demonstrations, and its limited troop movements in the direction of Phnom Penh are probably designed to shake the resolve of the new government and force it to agree to the continued use of Cambodia for bases and supplies. A resort to force by the Communists would make their base areas along the SVN-Cambodia border vulnerable to attacks from SVN, and they probably hope to avoid this risk. Nonetheless, they almost certainly will resort to military action against Cambodian forces unless Phnom Penh relaxes its vocal hostility to Communist use of Cambodian territory. The decision of both the Cambodian and South Vietnamese Governments to suspend cooperative cross-border operations for the time being may convince Hanoi its tactics of intimidation are working, but at the same time may encourage it to deploy more of its forces further into Cambodia.

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